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## **MILAN STATION HOLDINGS LIMITED**

**米蘭站控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1150)**

### **2021 INTERIM RESULTS ANNOUNCEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of Milan Station Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2021. This announcement, containing the full text of the 2021 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to information to accompany preliminary announcement of interim results.

For and on behalf of the Board  
**Milan Station Holdings Limited**  
**Hu Bo**  
*Director*

Hong Kong, 31 August 2021

*As at the date of this announcement, the Board comprises Mr. HU Bo, Mr. LI Zhongqi and Ms. LIN Mei Sze as Executive Directors; Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. CHOI Kam Yan, Simon as Independent Non-executive Directors.*

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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Li Zhongqi  
Mr. Hu Bo  
Ms. Lin Mei Sze

#### Independent Non-executive Directors

Mr. Chan Chi Hung  
Mr. Tou Kin Chuen  
Mr. Choi Kam Yan, Simon

### AUDIT COMMITTEE

Mr. Tou Kin Chuen  
*(Chairman of audit committee)*  
Mr. Chan Chi Hung  
Mr. Choi Kam Yan, Simon

### REMUNERATION COMMITTEE

Mr. Tou Kin Chuen  
*(Chairman of remuneration committee)*  
Mr. Chan Chi Hung  
Mr. Hu Bo

### NOMINATION COMMITTEE

Mr. Hu Bo  
*(Chairman of nomination committee)*  
Mr. Chan Chi Hung  
Mr. Tou Kin Chuen

### AUDITORS

HLB Hodgson Impey Cheng Limited  
Certified Public Accountants  
31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

### COMPANY SECRETARY

Mr. Yung Kai Wing

### AUTHORISED REPRESENTATIVES

Mr. Hu Bo  
Mr. Yung Kai Wing

### REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 13, 6/F, Block A  
Hong Kong Industrial Centre,  
489-491 Castle Peak Road  
Kowloon

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A,  
Block 3, Building D,  
P.O. Box 1586, Gardenia Court  
Camana Bay,  
Grand Cayman, KY1-1100,  
Cayman Islands

## Corporate Information

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17M/F  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

### COMPANY'S WEBSITE

[www.milanstation.com.hk](http://www.milanstation.com.hk)

### STOCK CODE

1150

### PRINCIPAL BANKERS

#### HONG KONG

OCBC Wing Hang Bank Limited  
DBS Bank (Hong Kong) Limited

# Condensed Consolidated Statement of Profit or Loss

## UNAUDITED INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Milan Station Holdings Limited (the “Company”) presents the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2021 (the “Period”) together with the comparative figures for the corresponding period in 2020 and the relevant explanatory notes as set out below. The interim results for the Period are unaudited, but have been reviewed by the audit committee (the “Audit Committee”) of the Company.

		For the six months ended 30 June	
		2021	2020
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>	5	112,827	82,530
Cost of sales		(83,269)	(59,854)
<b>Gross profit</b>		29,558	22,676
Provision for allowance for expected credit losses		(9)	(20)
Other income and gains/(losses), net	5	11,363	2,146
Selling expenses		(17,300)	(14,277)
Administrative and other operating expenses		(13,046)	(12,029)
Finance costs	6	(460)	(385)
<b>Profit/(loss) before tax</b>	7	10,106	(1,889)
Income tax expense	8	(10)	(248)
<b>Profit/(loss) for the period</b>		10,096	(2,137)
<b>Attributable to:</b>			
Owners of the Company		9,592	(1,614)
Non-controlling interests		504	(523)
		10,096	(2,137)
Earnings/(loss) per share			(restated)
– Basic	9	HK1.35 cents	HK(0.73 cents)
– Diluted	9	HK1.32 cents	HK(0.73 cents)

The notes on pages 9 to 17 form part of this interim financial statements. Details of dividends payable to owners of the Company are set out in note 10.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Profit/(loss) for the period</b>	<b>10,096</b>	(2,137)
<b>Other comprehensive income for the period:</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	3	–
	<b>10,099</b>	–
<b>Total comprehensive income/(expense) for the period</b>	<b>10,099</b>	(2,137)
Attributable to:		
Owners of the Company	9,595	(1,614)
Non-controlling interests	504	(523)
	<b>10,099</b>	(2,137)

## Condensed Consolidated Statement of Financial Position

	Notes	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	3,927	4,441
Right-of-use assets		23,139	21,077
Deposits		2,398	2,981
<b>Total non-current assets</b>		<b>29,464</b>	<b>28,499</b>
<b>Current assets</b>			
Inventories		49,269	37,822
Trade receivables	12	2,178	2,773
Loan receivables	13	13,402	12,927
Prepayments, deposits and other receivables		5,808	4,181
Financial asset at fair value through profit or loss		18,565	12,191
Cash and cash equivalents		46,777	67,576
<b>Total current assets</b>		<b>135,999</b>	<b>137,470</b>
<b>Current liabilities</b>			
Trade and other payables	14	17,586	29,442
Contract liabilities		653	547
Lease liabilities		14,686	11,212
Provisions		102	1,360
Tax payable		452	442
<b>Total current liabilities</b>		<b>33,479</b>	<b>43,003</b>
<b>Net current assets</b>		<b>102,520</b>	<b>94,467</b>
<b>Total assets less current liabilities</b>		<b>131,984</b>	<b>122,966</b>
<b>Non-current liabilities</b>			
Provisions		150	192
Lease liabilities		9,181	10,220
<b>Total non-current liabilities</b>		<b>9,331</b>	<b>10,412</b>
<b>NET ASSETS</b>		<b>122,653</b>	<b>112,554</b>
<b>EQUITY</b>			
Issued capital	15	28,477	28,477
Reserves		94,420	84,825
<b>Equity attributable to owners of the Company</b>		<b>122,897</b>	<b>113,302</b>
Non-controlling interests		(244)	(748)
<b>TOTAL EQUITY</b>		<b>122,653</b>	<b>112,554</b>

The notes on pages 9 to 17 form part of this interim financial statements.

## Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Issued capital	Share premium account	Capital reserve	Merger reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000 (note c)	HK\$'000	HK\$'000 (note d)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021 (audited)	28,477	251,857	10	(23,782)	30	502	5,658	(149,450)	113,302	(748)	112,554
Exchange differences arising on translation of foreign operations	-	-	-	-	-	3	-	-	3	-	3
Profit for the period	-	-	-	-	-	-	-	9,592	9,592	504	10,096
Total comprehensive income for the period	-	-	-	-	-	3	-	9,592	9,595	504	10,099
At 30 June 2021 (unaudited)	28,477	251,857	10	(23,782)	30	505	5,658	(139,858)	122,897	(244)	122,653
	Attributable to owners of the Company										
	Issued capital	Share premium account	Capital reserve	Merger reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000 (note c)	HK\$'000	HK\$'000 (note d)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2020 (audited)	8,136	218,508	10	(23,782)	30	488	10,780	(152,727)	61,443	(701)	60,742
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	(1,614)	(1,614)	(523)	(2,137)
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	-	(1,614)	(1,614)	(523)	(2,137)
Share based payment expenses	-	-	-	-	-	-	1,263	-	1,263	-	1,263
Transfer of share option reserve upon the lapse of share options	-	-	-	-	-	-	(6,385)	6,385	-	-	-
At 30 June 2020 (unaudited)	8,136	218,508	10	(23,782)	30	488	5,658	(147,956)	61,092	(1,224)	59,868

## Notes:

- (a) The capital reserve of the Group represents the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation on 28 April 2011 and the nominal value of the ordinary shares of a subsidiary of the Company in exchange therefor.
- (b) The merger reserve represents the excess of the consideration for acquiring subsidiaries over the nominal value of the paid-up capital of the subsidiaries acquired.
- (c) In accordance with the Company Law of the People's Republic of China (the "PRC"), the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of the statutory reserve fund reaches 50% of the subsidiaries' registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 50% of the registered capital after such usages.
- (d) The share option reserve related to share options granted to the directors and employees under the Company's share option scheme.



## Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	(15,292)	10,699
<b>NET CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	2,535	(184)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	(8,045)	(7,845)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(20,802)	2,670
Cash and cash equivalents at beginning of the period	67,576	8,417
Effect of foreign exchange rates, net	3	–
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>46,777</b>	<b>11,087</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	46,777	11,087

# Notes to Condensed Consolidated Interim Financial Statements

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 1 November 2007. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and its principal place of business in Hong Kong is located at Room 13, 6/F, Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Kowloon.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are retailing of handbags, fashion accessories and embellishments and spa and wellness products. There were no significant changes in the nature of the Group's principal activities during the Period.

## 2. BASIS OF PREPARATION

### Statement of compliance

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The interim financial report has been prepared in accordance with same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

## 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

## Notes to Condensed Consolidated Interim Financial Statements

**3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)****Application of new and amendments to HKFRSs (continued)**

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

**4. OPERATING SEGMENT INFORMATION**

The board of directors is the chief operating decision maker. The Group's principal activity is the retail of handbags, fashion accessories, embellishments and spa and wellness products. Since it is the only operating segment of the Group, no further analysis thereof is presented. In determining the Group's geographical segment information, the revenue information is based on the locations of the customers, and the non-current assets information is based on the locations of the property, plant and equipment, deposits and right-of-use assets.

	Hong Kong	Macau	Total
	HK\$'000	HK\$'000	HK\$'000
<b>For the six months ended 30 June 2021</b>			
Revenue from external customers	110,849	1,978	112,827
Non-current assets	29,464	–	29,464
Capital expenditure	598	–	598
	Hong Kong	Macau	Total
	HK\$'000	HK\$'000	HK\$'000
<b>For the six months ended 30 June 2020</b>			
Revenue from external customers	79,742	2,788	82,530
Non-current assets	15,745	–	15,745
Capital expenditure	961	–	961

**Information about major customers**

No customer of the Group has individually accounted for over 10% of the Group's total revenue during the Period (six months ended 30 June 2020: Nil) and no information about major customers is presented accordingly.

## Notes to Condensed Consolidated Interim Financial Statements

## 5. REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gains/(loss), net, is as follows:

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue		
Sale of goods	112,827	82,530
Other income and gains/(loss), net		
Interest income	82	107
Interest income on loan receivable	475	465
Gain/(loss) on fair value change of financial assets at fair value through profit or loss	6,602	(1,830)
Gain on disposal of property, plant and equipment	2,899	783
Covid-19 related rent concessions	50	311
Government grant (note)	100	1,399
Others	1,155	911
	11,363	2,146
	124,190	84,676

Note: During the period ended 30 June 2021, the Group recognised government grants of HK\$100,000 (six months ended 30 June 2020: HK\$1,399,000) in respect of Covid-19-related subsidies, mainly in relation to Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Room, Employee Support Scheme and Retail Sector Subsidy Scheme provided by the Hong Kong government.

## 6. FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest expenses	4	2
Interest expenses on lease liabilities	456	383
	460	385

## Notes to Condensed Consolidated Interim Financial Statements

## 7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>(a) Employee benefit expenses (excluding directors' remuneration)</b>		
Pension scheme contributions	560	380
Equity settled share option expense	–	1,010
Salaries, wages and other benefits	10,940	7,063
	<b>11,500</b>	<b>8,453</b>
<b>(b) Other items</b>		
Cost of inventories recognised as an expense	83,269	59,854
Depreciation		
– owned assets	1,111	1,084
– right-of-use assets	8,012	7,304
Share based payment expenses	–	1,263

## 8. INCOME TAX

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong profit tax	10	248

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

## Notes to Condensed Consolidated Interim Financial Statements

### 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

	For the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings/(loss) for the period attributable to owners of the Company	9,592	(1,614)

Number of shares	For the six months ended 30 June	
	2021	2020
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	711,928,875	221,251,079
Effect of dilutive potential ordinary shares:		
Share options	12,832,820	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	724,761,695	221,251,079

The weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share has been adjusted for the consolidation of shares on 24 March 2020.

### 10. DIVIDENDS

No dividend was paid or proposed during the Period (six months ended 30 June 2020: Nil), nor has any dividend been proposed since the end of the reporting period.

### 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment of approximately HK\$598,000 (six months ended 30 June 2020: HK\$961,000).

During the six months ended 30 June 2021, the Group disposed HK\$1,000 of property, plant and equipment (six months ended 30 June 2020: HK\$2,577,000).

## Notes to Condensed Consolidated Interim Financial Statements

**12. TRADE RECEIVABLES**

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2021</b>	31 December 2020
	<b>(Unaudited) HK\$'000</b>	(Audited) HK\$'000
Within 1 month	1,154	1,724
1 to 2 months	132	195
2 to 3 months	22	3
Over 3 months	870	851
	<b>2,178</b>	<b>2,773</b>

**13. LOAN RECEIVABLES**

An aged analysis of the loan receivables as at the end of the reporting period, based on the terms of loan agreements, is as follows:

	<b>30 June 2021</b>	31 December 2020
	<b>(Unaudited) HK\$'000</b>	(Audited) HK\$'000
Within 3 months	–	–
3 to 6 months	–	–
Over 6 months	13,402	12,927
	<b>13,402</b>	<b>12,927</b>

## Notes to Condensed Consolidated Interim Financial Statements

## 14. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on invoice date, is as follows:

	30 June 2021	31 December 2020
	(Unaudited) HK\$'000	(Audited) HK\$'000
Within 1 month	1,127	1,362
1 to 2 months	–	–
2 to 3 months	–	660
Over 3 months	–	7,295
	<b>1,127</b>	<b>9,317</b>

## 15. SHARE CAPITAL

	30 June 2021	31 December 2020
	(Unaudited) HK\$'000	(Audited) HK\$'000
Authorised: ordinary shares of HK\$0.04 each	80,000	80,000
Issued and fully paid: 711,928,875 (31 December 2020: 711,928,875) ordinary shares of HK\$0.04 each	28,477	28,477



## Notes to Condensed Consolidated Interim Financial Statements

## 16. RELATED PARTY TRANSACTIONS

- (i) The Group had the following material transactions with related parties during the periods:

	Amount owed by the Group as at 30 June		Related interest expense for the six months ended 30 June	
	2021	2020	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Lease liabilities (note a and b)	3,898	3,874	30	45

Notes:

- (a) Milan Station (Causeway Bay) Limited ("MS (CWB)"), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, and Excel Trend Limited ("Excel Trend"), a company incorporated in Hong Kong with limited liability and indirectly beneficially wholly owned by Mr. Yiu Kwan Tat ("Mr. Yiu"), the former chairman and an executive director, entered into a lease agreement in relation to the leasing of the premises situated at Areas E and F on the Ground Floor of Percival House, No. 83 Percival Street, Causeway Bay, Hong Kong for retail uses.
- (b) In June 2020 and 2021, the Group entered into a lease in respect of the same leasehold properties with Mr. Yiu which is connected party. The amount of lease payable by the Group under the lease is HK\$360,000 per month, which was determined with reference to market rent. The Group recognised a right-of-use asset and a lease liability of HK\$4,219,000 and HK\$4,248,000 at the date of lease on 2020 and 2021 respectively.
- (ii) Compensation of key management personnel of the Group during the periods are as follows:

	For the six months ended 30 June	
	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Short-term employee benefits	2,262	2,221
Post-employment benefits	45	57
	2,307	2,278

## Notes to Condensed Consolidated Interim Financial Statements

### 17. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

	30 June 2021	31 December 2020
	(Unaudited) HK\$'000	(Audited) HK\$'000
Financial assets at fair value through profit or loss	18,565	12,191
Financial assets at amortised cost:		
Trade receivables	2,178	2,773
Loan receivables	13,402	12,927
Financial assets included in deposits and other receivables	7,356	6,463
Cash and cash equivalents	46,777	67,576
	<b>69,713</b>	89,739
	<b>88,278</b>	101,930

#### Financial liabilities

	30 June 2021	31 December 2020
	(Unaudited) HK\$'000	(Audited) HK\$'000
Financial liabilities at amortised cost		
Trade payables	1,127	9,317
Financial liabilities included in accrued liabilities and other payables	16,459	20,125
Lease liabilities	23,867	21,432
	<b>41,453</b>	50,874

### 18. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period's presentation.

### 19. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 31 August 2021.

# Management Discussion and Analysis

## MARKET OVERVIEW

The first quarter of 2021 remained a particularly challenging time for the Hong Kong economy, especially to the retail industry. In order to contain the spread of the COVID-19 epidemic, many countries implemented stringent border control measures during the year and inbound tourism remaining at a standstill. However, the Hong Kong economy is on track for recovery in the second quarter of 2021 alongside the improving global economic conditions and receding local epidemic. Real GDP sustained notable year-on-year growth of 7.6%.

As a result of the regulation of compulsory quarantine imposed by the Hong Kong Government, inbound tourism remained frozen in the first half of 2021. According to the monthly report issued by the Hong Kong Tourism Board, the number of visitor arrivals from January to June 2021 recorded a dramatical decrease of 99% as compared to 2020.

Although inbound tourism activities remained severely hindered amid widespread travel restrictions, local labour market saw some improvement lately as the local epidemic receded. The seasonally adjusted unemployment rate fell to 6.0% in March to May 2021. Private consumption expenditure posted faster year-on-year growth alongside the receding local epidemic and improving labour market situation. The Census and Statistics Department has published Report on Monthly Survey of Retail Sales, which shows that the value of total retail sales in June 2021, provisionally estimated at HK\$28.1 billion, increased by 5.8% compared with the same month in 2020. For the first half of 2021, it was provisionally estimated that the value of total retail sales increased by 8.4% compared with the same period in 2020, reflecting a recovery for the retail industry.

The global economy has continued to recover, thanks to the rollout of mass vaccinations and strong fiscal and monetary support in many major economies. Nevertheless, corporations may have to be more careful in their business plans in the face of various headwinds such as the more infectious Delta variant, China-US relations, geopolitical tensions and the evolving monetary policy stance of major central banks also warrant attention.

## BUSINESS REVIEW

During the Period, the Group's total revenue increased by approximately 36.7% to approximately HK\$112.8 million. The revenues generated in the markets of Hong Kong and Macau accounted for 98.2% and 1.8% respectively of the Group's revenue. The Group's gross profit at approximately HK\$29.6 million, which was increased by 30.4% as compared to the same period last year. A turnaround from net loss of approximately HK\$2.1 million to net profit of approximately 10.1 million due to (i) the net profit generated from the sales of handbag fashion accessories and embellishments and spa and wellness products; (ii) the net gain on fair value change of financial assets at fair value through profit or loss.

### Hong Kong

During the Period, sales of the Group in Hong Kong increased by 39% to approximately HK\$110.8 million. The revenue came from the 6 "Milan Station" retail stores, the 9 "THANN" retail stores in Hong Kong and the online sales platform directly managed by the Group and the product sales in other new sales channels.

## Management Discussion and Analysis

The Group adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. In order to strengthen the Group's leading position in the luxury handbags trading industry, the Group continued to devote human resources to the management of merchandise quality, and strengthened the product certification programs with the finer division of labor to ensure that all the products were inspected by professional team. These measures helped the Group to maintain the "Milan Station" brand reputation and earn market recognition.

During the Period, the Group remained prudent on the store network expansion strategy and adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. The Group also focus on the control on cost in order to overcome the effect from COVID-19. The Group also tried to open new stores in more favourable places with cheaper rent. During the Period, the Group continued to devote more human resources to the management of merchandise quality, and strengthened the product certification programs with the finer division of labor to ensure that all the products were inspected by professional team. These measures helped the Group to maintain the "Milan Station" brand reputation and earn market recognition, pursuant to which it strengthened the Group's leading position in the luxury handbags trading industry under the adverse operating environment.

As at 30 June 2021, the Group held the listed securities in Hong Kong with the fair value of HK\$18.6 million under financial assets at fair value through profit or loss. The Group recognised a gain on fair value change of financial assets at fair value through profit or loss of approximately HK\$6.6 million. In light of the recent volatile financial market in Hong Kong, the Group will closely monitor the performance of this business and keep adopting a prudent investment attitude with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

### Macau

The business performance of its points of sale in exclusive clubhouses performed better during the Period. The Group's revenue from the Macau market decreased by 28.6% to approximately HK\$2 million. The decrease was mainly due to the COVID-19 resulted in the restriction on travellers. The Group will continue to adjust the product mix of point of sale in exclusive clubhouses.

## FINANCIAL REVIEW

### Revenue

During the Period, total revenue increased to approximately HK\$112.8 million, representing an increase of 36.7% as compared to approximately HK\$82.5 million recorded in the corresponding period last year. Handbags were the most important product category for the Group, representing over 77% of the total revenue of the Group. The revenue generated from the sales of unused products increased from approximately HK\$62.6 million recorded in the corresponding period last year, representing 75.9% of the total revenue of the Group, to approximately HK\$87.3 million during the Period, representing 77.4% of the total revenue of the Group.

Since most of the retail shops under the brand name of "Milan Station" are located in Hong Kong, the source of revenue also concentrates in the Hong Kong market. For the six months ended 30 June 2021, the revenue generated from the Hong Kong market was approximately HK\$110.8 million, representing approximately 98.2% of the total revenue of the Group. Revenue generated from the Macau market decreased from approximately HK\$2.8 million during the corresponding period last year to approximately HK\$2 million during the Period.

## Management Discussion and Analysis

The table below sets out the breakdown of the Group's revenue recorded for the six months ended 30 June 2021 and 2020 by product categories, by price range of products and by geographical locations and their respective approximate percentages to the total revenue of the Group:

	For the six months ended 30 June				
	2021		2020		Approximate percentage change in revenue %
	HK\$ million	Approximate percentage of total revenue %	HK\$ million	Approximate percentage of total revenue %	
<b>By product categories (handbags and other products)</b>					
Handbags	86.8	77.0	69.6	84.4	24.7
Other products	26.0	23.0	12.9	15.6	101.6
<b>Total</b>	<b>112.8</b>	<b>100</b>	<b>82.5</b>	<b>100.0</b>	<b>36.7</b>
<b>By product categories (unused and second-hand products)</b>					
Unused products	87.3	77.4	62.6	75.9	39.5
Second-hand products	25.5	22.6	19.9	24.1	28.1
<b>Total</b>	<b>112.8</b>	<b>100</b>	<b>82.5</b>	<b>100.0</b>	<b>36.7</b>
<b>By price range of products</b>					
Within HK\$10,000	27.2	24.1	15.9	19.3	71.1
HK\$10,001 – HK\$30,000	21.0	18.6	15.3	18.5	37.3
HK\$30,001 – HK\$50,000	14.0	12.4	6.9	8.4	102.9
Above HK\$50,000	50.6	44.9	44.4	53.8	14.0
<b>Total</b>	<b>112.8</b>	<b>100</b>	<b>82.5</b>	<b>100.0</b>	<b>36.7</b>
<b>By geographical locations</b>					
Hong Kong	110.8	98.2	79.7	96.6	39.0
Macau	2.0	1.8	2.8	3.4	(28.6)
<b>Total</b>	<b>112.8</b>	<b>100</b>	<b>82.5</b>	<b>100.0</b>	<b>36.7</b>

## Management Discussion and Analysis

### Cost of sales

For the six months ended 30 June 2021, cost of sales of the Group was approximately HK\$83.3 million, increased by 39.1% as compared to the same period last year. The increase in cost of sales was in line with the increase in revenue. Cost of sales mainly consists of cost of inventories sold by the Group's suppliers.

### Gross profit and gross profit margin

Gross profit of the Group for the Period increased by HK\$6.9 million to approximately HK\$29.6 million, with its gross profit margin slightly decreased by 27.5% to 26.2%.

### Inventory analysis

The Group's total inventories as at 30 June 2021 and 31 December 2020 were approximately HK\$49.3 million and HK\$37.8 million respectively. The total inventories of the Group are recorded after netting of provision for slow-moving inventories.

The following table sets forth an aging analysis of inventories for the Group's handbag products as at 30 June 2021 and 31 December 2020:

	As at 30 June 2021	As at 31 December 2020
	HK\$'000	HK\$'000
<b>Aging of inventories (handbags products)</b>		
0 to 90 days	18,103	9,804
91 to 180 days	10,695	3,673
181 days to 1 year	5,471	6,873
Over 1 year	12,000	15,321
Total	<b>46,269</b>	<b>35,671</b>

The following table sets forth an aging analysis of inventories for the Group's other products as at 30 June 2021 and 31 December 2020:

	As at 30 June 2021	As at 31 December 2020
	HK\$'000	HK\$'000
<b>Aging of inventories (other products)</b>		
0 to 45 days	1,216	977
46 to 90 days	946	579
91 days to 1 year	253	110
Over 1 year	585	485
Total	<b>3,000</b>	<b>2,151</b>

## Management Discussion and Analysis

The following table sets forth an aging analysis of inventories for the Group's premium priced handbag products over HK\$50,000 as at 30 June 2021 and 31 December 2020:

	As at 30 June 2021	As at 31 December 2020
	HK\$'000	HK\$'000
<b>Aging of inventories (handbags products over HK\$50,000)</b>		
0 to 90 days	11,106	8,603
91 to 180 days	7,540	1,717
181 days to 1 year	3,194	4,338
Over 1 year	5,642	6,015
Total	<b>27,482</b>	<b>20,673</b>

### Other income and gains/(losses)

Other income and gain amounted to approximately HK\$11.4 million, increased by HK\$9.3 million as compared to other gains amounted to approximately HK\$2.1 million in the corresponding period last year. The increase was mainly attributable to the gain on fair value change of financial assets at fair value through profit or loss of approximately HK\$6.6 million.

### Selling expenses

The major items of the Group's selling expenses include rent and rates, employee benefit expenses for sales staff and bank credit card charges. For the six months ended 30 June 2021, selling expenses of the Group were approximately HK\$17.3 million, representing 15.3% of its revenue (six months ended 30 June 2020: approximately HK\$14.3 million, representing 17.3% of revenue). Selling expenses increased was mainly due to the increase in rental expenses and salaries expenses.

### Administrative and other operating expenses

Administrative and other operating expenses of the Group for the six months ended 30 June 2021 amounted to approximately HK\$13 million, representing approximately 11.5% of the revenue, increased by approximately HK\$1 million as compared to the corresponding period last year. The Group's administrative and other operating expenses mainly consist of directors' remuneration, employee benefit expenses for the senior management and administrative staff, as well as legal and professional expenses.

### Finance costs

Finance costs of the Group mainly consists of interest expenses on bank overdrafts and borrowings, interest expense on lease liability and finance leases. Finance costs increased from approximately HK\$0.4 million to approximately HK\$0.5 million in the Period.

# Management Discussion and Analysis

## Profit attributable to the owners of the Company

Profit attributable to the owners of the Company for the six months ended 30 June 2021 was approximately HK\$9.6 million, representing an increase of 694.3% from loss of approximately HK\$1.6 million for the period ended 30 June 2020. The basic and diluted earnings per share attributable to the owners of the Company was approximately HK1.35 cents and HK1.32 cents respectively for the six months ended 30 June 2021, as compared to the basic and diluted loss per share of approximately HK0.73 cents for the six months ended 30 June 2020.

## Employees and remuneration policy

As at 30 June 2021, the Group had a total of 66 employees (31 December 2020: 61 employees). The Group's remuneration policy was determined according to the position, performance, experience of the staff as well as the market trend. Staff benefits of the Group include basic salaries, subsidies, insurance and commission/bonus. The remuneration policy was reviewed by the Board from time to time. Emoluments of Directors were reviewed by the remuneration committee of the Company and recommended to the Board for approval after considering the Group's operating results, individual performance and comparing with marketing conditions.

## Liquidity and financial resources

As at 30 June 2021 and 31 December 2020, the Group did not have any bank borrowing.

As at 30 June 2021, the Group's total balance of cash and cash equivalents, total liabilities and shareholders' equity were approximately HK\$46.8 million, HK\$42.8 million and HK\$122.7 million respectively (31 December 2020: approximately HK\$67.6 million, HK\$53.4 million and HK\$112.6 million respectively). The Group's gearing ratio (Note 1), current ratio (Note 2) and quick ratio (Note 3) as at 30 June 2021 were approximately 19.5%, 4.1 and 2.6 respectively (31 December 2020: 19%, 3.2 and 2.3 respectively).

### Notes:

1. Gearing ratio is calculated based on the borrowing and obligations under a finance lease divided by the total equity at the end of the Period and multiplied by 100%.
2. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the Period.
3. Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities as at the end of the Period.

## Pledge of assets

As at 30 June 2021 and 31 December 2020, the Group had no assets and bank deposits were pledged to banks to secure the bank borrowing and general banking facilities granted to the Group.

## Foreign exchange policy

The Group carried on its trading transactions mainly in Hong Kong dollars, Renminbi ("RMB") and United States ("US") dollars. It is the Group's policy to continue maintaining the balance of its sales and purchases in the same currency. The Group did not have any hedging arrangement on foreign exchange. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at acceptable level.



## Management Discussion and Analysis

### Contingent liabilities

As at 30 June 2021, the Group did not have any significant contingent liabilities.

### Capital commitments

The Group do not have any capital commitments on property, plant and equipment as at 30 June 2021 and 31 December 2020.

### Significant Investments

The Group held significant investments under financial assets at fair value through profit or loss and available-for-sales investment as below:

Company	Stock code	As at	Gain/(loss)	Fair value	As at	Percentage of shareholding (approximately)	Approximate percentage to the total assets
		1 January 2021	on disposal	gain/(loss)	30 June 2021		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000		
China e-Wallet Payment Group Limited	802	4,760	-	40	4,800	1.33%	2.9%
China Automotive Interior Decoration Holdings Limited	48	-	-	3,182	5,617	4.54%	3.4%
Others		7,431	2,510	870	8,148		4.9%
		12,191	2,510	4,092	18,565		

Except the significant investments disclosed above, there was no investment held by the Group of which the value was more than 5% of the total assets of the Group.

## OUTLOOK

The global economy gathered steam entering 2021 thanks to strong fiscal and monetary support worldwide and the rollout of mass vaccination programs. Nonetheless, the volatile epidemic situation remains a key source of uncertainty surrounding the global economic outlook, international travel and tourism-related sectors will likely still take time to recover. Containing the epidemic is pivotal to the recovery of local consumption activity.

Domestically, the government launched consumption voucher scheme in July, applicants are able to receive electronic consumption vouchers with a total value of \$5,000 by instalments. This will encourage the public to spend in local retail, consumption-related sectors, hence stimulating local consumer sentiment. The improved local business sentiment, coupled with the support from various government relief measures, should help domestic demand to improve in the period ahead and accelerating local economic recovery.

Looking ahead, local consumption may rebound further on the back of declining unemployment rate, high vaccination rate as well as the launch of the e-consumption vouchers. However, various uncertainty such as China-US relations, geopolitical tensions, the evolving policy stance of major central banks and the recent spread of the more infectious Delta variant around the world has cast uncertainty over the global economic outlook. The management therefore should continue to catch up any opportunities arose in this market and continued to strengthened our resources in order to maintain the leading position in the luxury handbags and accessories trading industry. Simultaneously, the management will also impose more prudent business policy to operate with great caution and lead the Group through unprecedented challenges.

## Additional Information

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2021, the Directors and the chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange.

**Long positions in share options of the Company**

Name of participants	Number of share options			Approximate percentage of total number of issued shares
	Personal Interest	Family Interest	Total	
<b>Executive Directors</b>				
Mr. Hu Bo	4,387,782	–	4,387,782	0.62%
Mr. Li Zhongqi	2,212,382	–	2,212,382	0.31%

*Note:* The allotment and issue of the Rights Shares pursuant to the Rights Issue was effective on 1 December 2020. The corresponding share option was adjusted.

Save as disclosed above, as at 30 June 2021, none of the Directors or the chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations.

**SHARE OPTIONS**

The Company operates a share option scheme adopted by the Company on 28 April 2011 (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The movements in share options granted under the Scheme during the six months ended 30 June 2021 are shown below:

Name or category of participants	Number of share options						At 30 June 2021	Date of grant of share options	Validity period of share options	Exercise price of share options HK\$ per share
	At 1 January 2021	Granted during the year	Exercised during the year (Note)	Expired during the year	Reclassified during the year	Lapsed during the year				
Director										
Hu Bo	2,175,400	-	-	-	-	2,175,400	12-4-19	12-4-19 to 11-4-22	0.434	
	2,212,382	-	-	-	-	2,212,382	17-4-20	17-4-20 to 16-4-22	0.101	
Li Zhongqi	2,212,382	-	-	-	-	2,212,382	17-4-20	17-4-20 to 16-4-22	0.101	
Other employees/consultants										
In aggregate	19,911,980	-	-	-	-	19,911,980	12-4-19	12-4-19 to 11-4-22	0.434	
	17,699,924	-	-	-	-	17,699,924	17-4-20	17-4-20 to 11-4-22	0.101	
	44,212,068	-	-	-	-	44,212,068				

## Additional Information

The closing price of the Company's shares immediately before the date on which the share options were granted, i.e., 12 April 2019 and 17 April 2020, were HK\$0.12 and HK\$0.092 per share respectively.

During the Period, (i) no share options under the Scheme were exercised; and (ii) no share options under the Scheme were lapsed.

As at the date of this interim report, a total of 44,212,068 shares options were granted and the total number of shares available for issue under the Scheme is 711,928,875, which represents approximately 6.2% of the total number of issued shares of the Company as at 31 August 2021 (i.e. 711,928,875 shares).

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### USE OF NET PROCEEDS

- (i) The proceeds from the listing, after deduction of related issuance expenses, amounted to HK\$5.4 million.
- (ii) As at 30 June 2021, the net proceeds from the Rights Issue were applied as follow:

	Planned use of proceeds	Actual use of proceeds up to 30 June 2021
	HK\$ million	HK\$ million
Settlement of rental expenses and management fee of the Group's retail stores	27.6	11.9
Payment of salaries of the Group's employees	17.3	7.7
Settlement of the Group's trade payables	4.9	4.9
Opening and operating a new retail store in Tsimshatsui	4.0	3.1

## Additional Information

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2021, the Company had complied with all applicable code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules save as disclosed below.

Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the period, certain Board meetings were convened with less than 14 days’ notice to facilitate the Directors’ timely reaction and expeditious decision making process in respect of investment opportunity and internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Articles of Association of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2021.

### AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Choi Kam Yan, Simon. The Audit Committee has reviewed with the management of the Company the financial statements of the Group for the six months ended 30 June 2021 and discussed with the management of the Company on auditing, risk management, internal control and financial reporting matters.

### REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2021, the Remuneration Committee comprises three members, a majority of whom are independent non-executive Directors, namely, Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Hu Bo. The Remuneration Committee formulates the Company’s remuneration policy of Directors and senior management, reviews and determines their remuneration packages and makes recommendations to the Board regarding the remuneration of Directors and senior management.

### NOMINATION COMMITTEE

The Company has established a Nomination Committee with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2021, the Nomination Committee comprises three members, a majority of whom are independent non-executive Directors, namely, Mr. Hu Bo (chairman), Mr. Chan Chi Hung and Mr. Tou Kin Chuen.

## Additional Information

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss, and to mitigate rather than eliminate risks of failure in the operational systems and achievements of the Group's business objectives. The Board has, engaged an independent internal control review advisor (the "Internal Control Advisor"), conducted reviews of the effectiveness of the internal control system of the Group covering the Group's corporate governance, internal control, financial, operational (including information security), as well as risk management function and compliance functions. The Board as the ultimate responsible governing body of the Group monitors compliance with policies and procedures and the effectiveness of internal control structures across the Group and its principal divisions. The Board ensures the internal controls are in place and functioning properly as intended. The Board also considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on an ongoing basis.

In response to the risk, the management shall implement proper policies and procedures to review the effectiveness of risk management and internal control and remedy any defects of internal control, including conduct evaluation on a regular basis to keep abreast of the related information in a timely manner so as to facilitate the Audit Committee and the Board to evaluate the effectiveness of control and risk management of the Group.

For the period ended 30 June 2021, the Board and Audit committee have reviewed and confirmed the effectiveness of the risk management and internal control systems.

The Group has a formal whistle-blowing policy to encourage and guide its staff to raise serious concerns internally in a responsible manner, without fear of retribution. During the period under review, the Board has not been informed any complaints or concerns over financial improprieties from staff.

The Group has the Inside Information Policy which sets out guidelines to the Directors and senior management of the Group to ensure inside information of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

### INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

By order of the Board  
**Milan Station Holdings Limited**  
**Hu Bo**  
*Executive Director*

Hong Kong, 31 August 2021